



Department of Justice

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JAPANESE COMPANY, ITS AMERICAN SUBSIDIARY, AND JAPANESE EXECUTIVE INDICTED FOR OBSTRUCTION OF JUSTICE

WASHINGTON, D.C. -- A federal grand jury in Los Angeles today indicted a Japanese carbon fiber company, its Menlo Park, California-based American subsidiary and a Japanese executive for obstruction of justice in connection with the investigation of possible price fixing in the carbon fiber industries, the Department of Justice announced.

According to the one-count felony indictment, filed in U.S. District Court in Los Angeles, Toho Tenax Co. Ltd. (Toho Japan) of Tokyo, Japan, formerly known as Toho Rayon Co. Ltd.; its American subsidiary, Toho Carbon Fibers Inc. (Toho USA); and Jinnosuke Takeda, a Toho Japan executive, concealed incriminating documents that had been subpoenaed in January 1999 by a federal grand jury investigating possible violations of Section 1 of the Sherman Act.

The indictment charges that Toho Japan, Toho USA, and Takeda caused the incriminating documents to be secretly removed from the headquarters of Toho USA in Menlo Park and to be sent to the headquarters of Toho Japan in Tokyo in an effort to prevent the grand jury from receiving the subpoenaed documents. The documents were later discovered by Japanese law enforcement agents who found them during a search of the Toho Japan headquarters.

“The Department will proceed aggressively against those who seek to impede antitrust investigations focused on protecting American consumers,” said Charles A. James, Assistant Attorney General in charge of the Department’s Antitrust Division.

Toho Japan manufactures carbon fiber, a polymer graphite material composed of long, thin, ribbon-like filaments with properties of light weight and high strength. Toho USA, a wholly

owned subsidiary of Toho Japan, serves as the exclusive distributor of Toho Japan carbon fiber in the United States. Carbon fiber's main use is as a reinforcing material in a product called carbon fiber prepreg, which is used to provide strong, but lightweight, support in sporting goods, industrial equipment, and aerospace products.

Toho Japan, Toho USA, and Takeda are charged with obstruction of justice in violation of 18 U.S.C. § 1503, which carries a maximum penalty of a \$500,000 fine for corporations and 10 years imprisonment and a \$250,000 fine for individuals.

The ongoing investigation of the carbon fiber and carbon fiber prepreg industries is being conducted by the Antitrust Division's National Criminal Enforcement Section in Washington, D.C., the San Diego Office of the Federal Bureau of Investigation, and the Los Angeles Office of Defense Criminal Investigative Service.

Anyone with information concerning price fixing or collusion in the carbon fiber and carbon fiber prepreg industries should contact the Antitrust Division's National Criminal Enforcement Section at (202) 307-5777, or the San Diego Office of the Federal Bureau of Investigation at (858) 499-7521.

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